IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD
(Special Original Jurisdiction)

FRIDAY, THE SEVENTEENTH DAY OF SEPTEMBER
TWO THOUSAND AND FOUR

PRESENT
THE HON'BLE MR JUSTICE B. SUDERSHAN REDDY
and
THE HON'BLE MR JUSTICE K.C. BHANU

WRIT PETITION NO : 17646 of 1993

Between:
The A.P. State Financial Corporation established under the State Financial Corporation's Act,1951
Act 63/1951 rep. by Branch Manager,
Tirupathi.

..... PETITIONER

AND

1 The Institution of Lokayukhtha and Upalokayukhta, Andhra Pradesh at Basheerbagh, Hyderabad,
2 M. Ramachandraiah Prop. M/s. Jyothi Oil Expellor Peruru (V), Tirupathi Rural (M), Chittoor District -517 505

...RESPONDENTS

Petition under Article 226 of the constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court will be pleased to issue a Writ, Order or direction, especially in the nature of Writ of Certiorari calling for the orders passed by the 1st respondent viz., Institution of Lokayukhta and Upalokayukhta in complaint No.1061/92, dt; 14-5-1993; and quash the same.

Counsel for the Petitioner: MR.Y.N.LOHITA

Counsel for Respondent No.1: MR.M.V.S.SURESH KUMAR

Counsel for Respondent No.2: Mr.Amar Kumar

The Court made the following Order : (per BRSR.J)

The A.P.State Financial Corporation invokes the extraordinary jurisdiction of this Court under Article 226 of the Constitution of India challenging the order dated 14.5.1993 made in complaint No.1061 of 1992 by the Upalokayukta, where under directions have been issued against the petitioner herein to sanction loan to the respondent-complainant under the self employment scheme.

The 2nd respondent herein filed a complaint against the petitioner herein stating that with an intention to set up a small scale industry of groundnut oil expeller, he approached the petitioner herein seeking sanction of loan under the self employment scheme but the Corporation instead of considering his request for sanction of the loan as sought for by him, has sanctioned general loan. The case of the complainant was that he is entitled for sanction of loan under self-employment scheme and not a general loan.

The difference between a loan granted under self employment scheme and the general loan is that the interest payable in respect of general loan is higher than the interest payable in respect of loans sanctioned under self employment scheme.

The Upalokayukta having found that the respondent-

complainant was not eligible for sanction of any loan under self employment scheme, however directed the petitioner corporation to consider the request of the complainant on humanitarian grounds and sanction 75% loan to the complainant instead of 65% loan already sanctioned at the interest payable under the self employment scheme and release the loan accordingly. We are not able to appreciate as to under what authority the Upalokayukta could have issued such directions compelling the petitioner herein to part away its own money in favour of the complainant. The complaint filed by the 2nd respondent herein itself is a frivolous one which resulted in issuing the directions by the Upalokayukta, which in our considered opinion are unsustainable and untenable. T h e Upalokayukta undoubtedly exceeded the jurisdiction in issuing such directions, which virtually amounted to interfering with the internal management of the petitioner Corporation.

For the aforesaid reasons, the impugned order is set aside and the writ petition is allowed. No costs.

(B.SUDERSHAN REDDY,J)

DT.17.09.2004

(K.C.BHANU,J)

..... REGISTRAR

// TRUE COPY //

SECTION OFFICER

To

1 The Institution of Lokayukhtha and Upalokayukhta,
Andhra Pradesh at Basheerbagh, Hyderabad,

2. 2CD copies